

Report Title:	RBWM Risk Management
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Jones, Deputy Leader and Cabinet Member for Finance
Meeting and Date:	Audit and Governance Committee – 16 November 2023
Responsible Officer(s):	Elizabeth Griffiths, Executive Director of Resources and Section 151 Officer & Andrew Vallance, Deputy Director of Finance and Deputy S151 Officer
Wards affected:	None

## REPORT SUMMARY

*This report sets out how adequate risk management is in place for RBWM as a fundamental element of its governance arrangements. It includes a summary of the key strategic risks to the council which include, for example, climate change, the impact of future pathogen variants and resource constraints which appear as specific challenges in the Corporate Plan (2021-26).*

### 1. DETAILS OF RECOMMENDATION

**RECOMMENDATION:** That the Audit and Governance Committee notes the report.

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report**

Option	Comments
To note the report. <b>This is the recommended option</b>	The council is required to publish an annual governance statement in which a fundamental requirement is to demonstrate how it manages risk.
Do Nothing	There is a risk that without any risk management structure which could result in the council having insufficient awareness of its risks and be exposed to impact of unnecessary levels of risk.  If risk is not clearly defined it could lead to over-resourcing controls on risks that might otherwise be tolerated at a particular level.

- 1.1 Risk management is a governance process open to scrutiny from councillors and the public at RBWM's Audit and Governance Committee meetings. Making sound use of risk management processes supports good strategy setting, operational performance and effective service delivery to residents.
- 1.2 The purpose of risk analysis is to help all decision-makers get a better understanding of a realistic array of possibilities, what drives the associated uncertainty and hence where efforts can be best concentrated to manage this uncertainty.
- 1.3 The corporate risk register records the risks relating to the council's objectives. The risk registers are appropriate at the point in time at which they are produced and require consideration to be given to a broad range of potential risks and outcomes. Anything that could constrain the way in which such risks are expressed would weaken the quality of decision making when determining the most appropriate response to a risk.
- 1.4 Risks that carry the most damaging potential impacts as defined by our measurement scale are classified as key risks. The inclusion of risks of any impact level does not mean there is an immediate problem. It signifies that officers are aware of potential risks and have devised strategies for the implementation of any relevant mitigation measures.
- 1.5 The council's key strategic risks were last presented to the Audit and Governance Committee on 20 July 2023.
- 1.6 Elected Members are notified of the key risks where they are named as the risk owner typically as part of a Member briefing. Officers are tasked with ensuring that any comments by Members are reflected in the assessment.
- 1.7 Risks are reviewed and debated by senior management to give ample opportunity for challenge and discussion. If any risks are of such low impact that there is no good reason to continue including them in this dialogue then they are removed from the risk register or re-categorised with a lower risk assessment. This is also an opportune moment to identify and incorporate any new risks.
- 1.8 The council has introduced a new quarterly performance report. This brings reporting of service performance together with our key organisational risks and responses to audit report recommendations into one report and is part of our improved approach to good governance and increased transparency.

### 3. KEY IMPLICATIONS

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Officers and Members are engaged in regular risk	Risks are left without officer or Member attention.	Quarterly reviews.	Risks are reviewed more frequently than quarterly.	Risks are constantly assessed and not necessarily led by the	Ongoing by quarterly review.

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
reviews of the key risk register - the nature of the threat and the progress on mitigations.				review frequency on the risk register.	
Officers and Members make strategic, operational and investment decisions around projects with the risks in mind.	Risks are left without officer or Member attention.	Risk reviews undertaken at every key stage of the project.	Risks are constantly assessed.	None.	Ongoing until conclusion as key part of project/s.

#### **4. FINANCIAL DETAILS / VALUE FOR MONEY**

- 1.9 There are no specific financial consequences arising from this report. However, risk owners do need to consider resource implications when devising their mitigation strategies.

#### **5. LEGAL IMPLICATIONS**

- 1.10 There are potential legal implications should a risk occur that RBWM is not prepared for. The purpose of risk management is to provide awareness of these so that management can make a risk-based judgement.
- 1.11 The council must comply with Regulation 6 (2) of the Accounts and Audit Regulations 2015 by publishing an Annual Governance Statement which demonstrates how it manages risk.

#### **6. RISK MANAGEMENT**

**Table 3: Impact of risk and mitigation**

Threat or risk	Impact with no mitigations in place or if all mitigations fail	Likelihood of risk occurring with no mitigations in place.	Mitigations currently in place	Mitigations proposed	Impact of risk once all mitigations in place and working	Likelihood of risk occurring with all mitigations in place.

<p>There is a risk that the council fails to make good use of risk management processes because of sufficient attention given to the activity. This could result in management and elected members having insufficient awareness of those risks carrying the potential to severely damage the organisation and affect residents</p>	<p>Major 3</p>	<p>High</p>	<p>Officers and members are engaged in regular risk reviews of the key risk register.</p> <p>Non-key risks are reviewed according to the scheduled frequency.</p> <p>Audit and Governance provides a mechanism for examination of the process.</p>	<p>Complete outstanding actions of SWAP audit around officer and member training.</p>	<p>Moderate 2</p>	<p>Low</p>
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## 7. POTENTIAL IMPACTS

- 1.12 Equalities. An Equality Impact Assessment is available as Appendix A.
- 1.13 Climate change/sustainability. None directly but note that one of our key strategic risks on Appendix B and C ref: CLIM12 concerns the council's response to the threat of climate change and our objective of net zero carbon emissions by 2050<sup>1</sup>.
- 1.14 Data Protection/GDPR. None directly but note that one of our key strategic risks on Appendix B and C ref: HR25 concerns the potential for cyber-crime and/or the corruption of data or breach of privacy/confidentiality caused by inadequate information security.

## 8. CONSULTATION

- 1.15 This matter was last presented to the Audit and Governance Committee on 20 July 2022. Consultations have taken place with the chair of the committee, the executive leadership team, assistant directors, directorate management teams and SWAP Internal Audit.

## 9. TIMETABLE FOR IMPLEMENTATION

This section is not applicable.

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<sup>1</sup> The Environment and Climate Strategy was approved by Cabinet 17 December 2020.

## 10. APPENDICES

This report is supported by 3 appendices:

- Appendix A – Equality Impact Assessment
- Appendix B – Current key strategic risks and mitigations in place/in progress with quarter 1 and 2 ratings
- Appendix C – detailed key strategic risk wordings

## 11. BACKGROUND DOCUMENTS

This report is not supported by any background documents:

## 12. CONSULTATION

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Mandatory:</i>		<i>Statutory Officer (or deputy)</i>	
Elizabeth Griffiths	Executive Director of Resources & S151 Officer	08/11/23	13/11/23
Elaine Browne	Deputy Director of Law & Governance & Monitoring Officer	08/11/23	14/11/23
<i>Deputies:</i>			
Andrew Vallance	Deputy Director of Finance & Deputy S151 Officer	08/11/23	
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer	n/a	n/a
<i>Mandatory:</i>		<i>Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>	
Lyn Hitchinson	Procurement Manager	n/a	n/a
<i>Mandatory:</i>		<i>Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>	
Samantha Wootton	Data Protection Officer	n/a	n/a
<i>Mandatory:</i>		<i>Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>	
Ellen McManus-Fry	Equalities & Engagement Officer	08/11/23	08/11/23
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Stephen Evans	Chief Executive	08/11/23	
Andrew Durrant	Executive Director of Place	08/11/23	
Kevin McDaniel	Executive Director of Adult Social Care & Health	08/11/23	
Lin Ferguson	Executive Director of Children's Services & Education	08/11/23	
<i>Assistant Directors (where relevant)</i>			

Nikki Craig	Assistant Director of HR Corporate Projects and IT	08/11/23	
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Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Finance	
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No

Report Author: Steve Mappley, Insurance and Risk Manager, 01628 796202
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# Appendix A - Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

www.rbwm.gov.uk



## 1. Background Information

Title of policy/strategy/plan:	<u>RBWM Risk Management</u>
Service area:	<u>Finance</u>
Directorate:	<u>Resources</u>

### **Provide a brief explanation of the proposal:**

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

To inform members of the audit and governance committee of the council's approach to managing its risks.

Head of finance, supported by the insurance and risk manager.

Continual update to ongoing procedures as required by this committee.

## 2. Relevance Check

### **Is this proposal likely to directly impact people, communities or RBWM employees?**

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)
- No – it concerns the council's internal risk management processes.
- No.

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

## 3. Evidence Gathering and Stakeholder Engagement

### **Who will be affected by this proposal?**

For example, users of a particular service, residents of a geographical area, staff

**Among those affected by the proposal, are protected characteristics** (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) **disproportionately represented?**  
For example, compared to the general population do a higher proportion have disabilities?

**What engagement/consultation has been undertaken or planned?**

- How has/will equality considerations be taken into account?
- Where known, what were the outcomes of this engagement?

**What sources of data and evidence have been used in this assessment?**

Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.



## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age			
Disability			
Sex			
Race, ethnicity and religion			
Sexual orientation and gender reassignment			
Pregnancy and maternity			
Marriage and civil partnership			
Armed forces community			
Socio-economic considerations e.g. low income, poverty			
Children in care/Care leavers			

## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

**What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?**

For example, adjustments needed to accommodate the needs of a particular group

**Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?**

- For planned future actions, provide the name of the responsible individual and the target date for implementation.

**How will the equality impacts identified here be monitored and reviewed in the future?**

See guidance document for examples of appropriate stages to review an EQIA.

## 6. Sign Off

<b>Completed by: Steve Mapple</b>	<b>Date:</b>
<b>Approved by: Andrew Vallance</b>	<b>Date:</b>

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b>	<b>Date:</b>
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